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FM AMEMBASSY LIMA  
TO RUEHC/SECSTATE WASHDC PRIORITY 9489  
INFO RUEHAC/AMEMBASSY ASUNCION PRIORITY 2045  
RUEHBO/AMEMBASSY BOGOTA PRIORITY 6083  
RUEHBR/AMEMBASSY BRASILIA PRIORITY 7956  
RUEHBW/AMEMBASSY BUENOS AIRES PRIORITY 3500  
RUEHCV/AMEMBASSY CARACAS PRIORITY 1248  
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RUEHMN/AMEMBASSY MONTEVIDEO PRIORITY 9597  
RUEHQD/AMEMBASSY QUITO PRIORITY 2135  
RUEHSG/AMEMBASSY SANTIAGO PRIORITY 2039  
RHEHAAA/NATIONAL SECURITY COUNCIL WASHINGTON DC PRIORITY  
RUMIAAA/USCINCSO MIAMI FL PRIORITY

C O N F I D E N T I A L LIMA 001707

SIPDIS

E.O. 12958: DECL: 10/23/2018  
TAGS: [PGOV](#) [PREL](#) [PINR](#) [SOCI](#) [SENV](#) [SNAR](#) [APEC0](#) [BO](#) [PE](#)  
SUBJECT: PUNO UPDATE: WATER ISSUES ADD TO INSTABILITY

REF: A. LIMA 0997  
[B.](#) LIMA 0460  
[C.](#) 07 LIMA 22...

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C O N F I D E N T I A L LIMA 001707

SIPDIS

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SUBJECT: PUNO UPDATE: WATER ISSUES ADD TO INSTABILITY

REF: A. LIMA 0997  
[B.](#) LIMA 0460  
[C.](#) 07 LIMA 2236  
[D.](#) 07 LIMA 2000

Classified By: Ambassador P. Michael McKinley  
for reasons 1.4 (b) and (d).

¶11. (C) Summary: The southern highland region of Puno, one of Peru's most isolated and impoverished areas, is notorious for wide-open smuggling along its extensive border with Bolivia, sporadic outbreaks of political violence and affinity for extremist leaders and ideologies (refs). Its proximity to Bolivia and similar ethnic composition (about sixty percent of the population is indigenous Aymara or Quechua) make it susceptible to some of the radical events taking place in that country. Environmental degradation is an area of growing concern, especially as it relates to insufficient amounts of potable water, irrigation and the contamination of historic Lake Titicaca. Water issues are becoming a source of social conflict and add to Puno's instability. Emboffs examined some of these issues while attending the recent Asia-Pacific Economic Cooperation (APEC) youth event in Puno.

End Summary.

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APEC Youth Camp 2008  
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¶12. (U) Poloff attended portions of the APEC Youth Camp 2008 event entitled, "Caring for the Sustainable Development of the Asia-Pacific Region" held in Puno, October 1-5. Thirty-three APEC youth representatives from sixteen APEC economies attended a series of lectures and field trips that focused mainly on climate change and water issues, with a special emphasis on shared Lake Titicaca. At the end of the Youth Camp event, delegates signed a declaration urging the private sector and civilian society to play a more active role in ensuring compliance with their social obligations. The recommendations contained in the document also seek to motivate governments, companies, and private individuals to do more to protect the environment, particularly vital water resources. At the national level, the APEC Youth Camp received positive press coverage.

¶13. (SBU) One thousand police were deployed to protect the Youth Camp event according to Col.Castillo, a retired police official in charge of APEC security. The tight security and costs associated with the gathering caused some mild grumbling among local residents we spoke with, although evidence of outright opposition to the event were few. For example, on October 2, a single "reservista" (an Antauro Humala follower dressed in military garb) attempted to rally a crowd in the main downtown square of Puno City. As he marched around with a bullhorn, a supporter followed him carrying the checkered indigenous flag ("wipala"). The reservista trumpeted, "While the mining town of La Rinconada, with 30,000 people, is waiting to build its first police station, (President) Garcia sends a thousand policemen to protect 33 foreign kids at a fancy hotel."

¶14. (C) At the conference, poloff spoke with Luis Quesada, the MFA's Director General for Asia-Pacific Affairs, who said Puno was chosen as the venue for the APEC event in part to highlight Lake Titicaca's unique features and to call attention to the threats to its fragile ecosystem. He confided that Peru hoped that publicity surrounding Youth Camp might help attract international donor support for projects in the area. Quesada noted that while Peru's establishment of a Ministry of Environment was a recent development, the government of Peru is increasingly cognizant about the links between environmental issues, economic prosperity and social stability. He added that the government was deeply concerned about the effects of global warming and the melting of glaciers that fed water to the city of Lima.

Puno's Mayor  
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¶15. (C) For a hands-on perspective of how water issues are impacting the city of Puno (same name as the region), poloff called on its mayor, Luis Buitron Castillo on October 2. Buitron (National Restoration Party - PRN) said that for most people in the region, deep poverty and harsh climate meant

that the struggle for survival took precedence over anything else. As a result, education was not a priority. The illiteracy rate for the region is 22 percent, and is differentiated by area and gender. Health problems are also related to the endemic poverty and to attendant problems such as poor nutrition, lack of clean water and sanitation, damage to the fragile ecosystem, and the absence of credit and investment to help people improve their livelihoods. All these factors contributed to Puno's underlying social unrest, he said.

¶6. (C) The mayor said that his city's population of 230,000 represented the largest human settlement on the lake's shore, including the Bolivian side. Though its citizens have greater access to services than most other parts of the region, where on average only about one in five has access to potable water or a proper sewage system, the Puno municipality is blamed for the majority of the pollution in the lake. (Note: The October 3 edition of the local daily "Los Andes" carried an article stating that the municipality was being charged with "environmental crimes" for polluting Puno bay. End Note.) Buitron said the causes of the city's pollution are twofold: First, there are high amounts of untreated city sewage and urban runoff (during heavy rain) that are dumped directly into the bay. Secondly, the bay is mostly enclosed and shallow, which inhibits water exchange. Buitron said that the city is also critically short on potable drinking water and needs funding to pipe water from mountain sources many kilometers away. He expressed hope that the November APEC meetings in Lima would result in funding for needed water supply and treatment projects.

Regional President

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¶7. (C) On October 3, poloff met with the enigmatic Regional President of Puno, Pablo Hernan Fuentes Guzman of the "Avanza Pais" party. Fuentes began the interview (he had an assistant film it) in a darkened room with two questions: whether or not poloff was a member of the Ku Klux Klan and what was going to happen to the United States after its second Great Depression? After some rambling about Quechua nationalism, Fuentes ducked several questions such as his controversial call for Puno to become a more autonomous federal state. He acknowledged that Puno was region prone to violent unrest and recalled the April 2004 lynching of the mayor and his assistant in the nearby town of Ilave. He blamed most of the region's problems on central government and NGO neglect, however, and for their failure to provide the funds necessary to repair crumbling infrastructure, including water for drinking and irrigation. With respect to pollution of Lake Titicaca, he blamed mayor Buitron and gold mining activities for most of its contamination. Fuentes concluded the meeting by saying that he would welcome any U.S. development assistance to Puno.

Tourists

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¶8. (C) On October 3, Poloff spoke with a group of American and foreign tourists who had returned from a one-day boat excursion on Lake Titicaca. They complained that they were each required to pay a \$100 "visa fee" for visiting the Isla del Sol, even though the trip into Bolivian territory was for only for a few hours. One tourist said he was told by an island resident that, "If any thing happens to Evo (President Morales), you Americans will be in big trouble." The same tourist, who claimed to have visited Lake Titicaca several times previously, said that the north of the lake was becoming something of a "no-man's land", unfriendly to tourists. He said that smuggling seemed much in evidence throughout the area, and while passing through the town of Moho, he was told that no hotel accommodations were available for tourists, "because they are all out of towels."

Comment

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¶9. (C) Water problems are adding to Puno's unstable mix of grinding poverty, inept local government, narcotics smuggling and racial animosities. Such conditions are ripe for attracting radical actors should they decide to exploit the situation for their own political purposes. There is some evidence that this may already be happening. For example, on October 20, Puno protesters began to "indefinitely" block the major highway linking the Bolivian town of Desaguadero with the Peruvian regions of Moquegua and Tacna, over rumors that recent government decrees will tax farmers on irrigation water. Such road blockages are fairly common in Puno and other indigenous regions, and often amount to naught. But it is worth noting that the Ombudsman's office was recently quoted as saying that, "political interests are behind the protests." The police also reported having spotted Bolivian and Ecuadorian activists among the indigenous protesters.

MCKINLEY

=====CABLE ENDS=====